



Arnold Schwarzenegger
Governor

March 16, 2010
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Ms. Karen Fies, Director
Sonoma County Workforce Investment Board
2227 Capricorn Way, Suite 207 E
Santa Rosa, CA 95402

Dear Ms. Fies:

WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Sonoma County Workforce Investment Board's (SCWIB) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Ms. Karen Fuller-Ware from May 4, 2009 through May 8, 2009. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, cost/resource sharing, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SCWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2008-09.

We collected the information for this report through interviews with representatives of SCWIB, a review of applicable policies and procedures, and a review of documentation retained by SCWIB for a sample of expenditures and procurements for PY 2008-09.

We received your response to our draft report on August 6, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed the finding cited in the draft report, we consider this finding resolved.

BACKGROUND

The SCWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, SCWIB was allocated: \$623,355 to serve 1,065 adult participants; \$661,282 to serve 150 youth participants; and \$1,109,161 to serve 1,187 dislocated worker participants.

For the quarter ending March 31, 2009, SCWIB reported the following expenditures and enrollments for its WIA programs: \$520,783 to serve 835 adult participants; \$392,358 to serve 122 youth participants; and \$875,484 to serve 910 dislocated worker participants.

FISCAL REVIEW RESULTS

While we conclude that, overall, SCWIB is meeting applicable WIA requirements concerning financial management, we noted an instance of noncompliance in the area of policy and procedures. The finding that we identified in this area is specified below.

FINDING 1.

Requirement: 20 CFR Section 667.410(a) states, in part, that each recipient and subrecipient must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors.

WIAD00-7 states, in part, that the monitoring of subrecipients follow a standardized review methodology that will result in written reports which record findings, any needed corrective actions, and due dates for the accomplishment of corrective actions. Additionally, the monitoring of subrecipients require systematic follow-up to ensure that necessary corrective action has been taken.

Observation: The SCWIB contracts with the County of Sonoma Department of Auditor-Controller (CSDAC) to conduct their on-site monitoring reviews. As a result of the monitoring, reports are issued and include requirements, observations and recommendations. However, the reports do not include a corrective action plan (CAP) and due dates for the CAP.

Recommendation: We recommended SCWIB revise its procedures to ensure that reports include a requirement and a due date for the CAP.

SCWIB Response: The SCWIB stated that they contract with the County of Sonoma Auditor's Audit Division to conduct the on-site monitoring reviews. The written report that is created by the audit division is an internal report created for the SCWIB. It is the responsibility of the SCWIB to issue a report to the subrecipients which records

findings, any needed corrective actions, and due dates for the accomplishment of the corrective actions.

The interval monitoring report was received by SCWIB on May 18, 2009 from the CSDAC and monitoring reports were then issued to the subrecipients by the SCWIB on June 9, 2009. These reports included any findings, corrective actions and due dates for the accomplishment of the corrective action. This information was provided to the monitor via e-mail on June 10, 2009.

State Conclusion: Based on SCWIB's response and documentation provided, we consider this finding resolved.

PROCUREMENT REVIEW RESULTS

We conclude that, overall, SCWIB is meeting applicable WIA requirements concerning procurement.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SCWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain SCWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Jennifer Shane at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

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